

# **EVALUATION REPORT:**

## **GEORGIAN FEDERATION OF PROFESSIONAL ACCOUNTANTS AND AUDITORS (GFPAA) TRAIN-THE- TRAINER PROGRAM FOR ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS (ACCA) TRAINING, TESTING AND CERTIFICATION**

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## **I. Background**

### **GEAR Project – December 2000:**

During the period from September 30, 1997 through December 31, 2000, SIBLEY International Corporation successfully executed the GEAR (Georgia Enterprise Accounting Reform) project. One of the Project's major activities was ((page 1(3)) developing the institutional capacity of a self-regulating organization (SRO) for professional accountants and auditors; ensuring that the SRO is internationally recognized and able to continue reform without USAID assistance and developing a training, testing and certification program (TTCP) for the SRO.

As of the GEAR Final Report, dated January 2001:

- The Georgian Federation of Professional Accountants and Auditors (GFPAA) were established as the independent SRO.
- The new accounting law transferred the responsibility of training, testing and certifying accountants from the GoG to the GFPAA.
- The success rate of Georgians participating in the English language ACCA training is in line with those of other ACCA participants globally and now these Georgians act as a pool of IAS instructors.
- Georgian accountants now train using the GFPAA's Training, Testing and Certification program (TTCP) which was developed from materials acquired through the internationally recognized Association of Chartered Certified Accountants (ACCA), a professional organization from the United Kingdom.
  - The Project considers the ACCA-based TTCP as far superior because it:
    - Builds capacity of local trainers to provide training in the local language
- The objectives during the extension period for the Project (November 1, 1999 through December 31, 2000) pertaining to ENI (USAID's Europe and New Independent States (ENI) Strategic objective 1.3) included:
  - Establishing and equipping three training facilities in Tbilisi, Katusi and Batumi and training the trainers.

### **Phase-Out of USAID support for GFPAA training program:**

On September 24, 2001, Liam Coughlan, ACCA training advisor, GESP, submitted a status report. Highlights from this report are relevant to the status today and the expectations with respect to the USAID phase-out and the subject matter of train-the trainers.

- It is anticipated after the June 2002 examinations there will be a pool of up to 17 students who will have received expatriate tuition in all 14 ACCA papers, enabling the continuation of the program after June 2002 without USAID provided expatriate support.
- Recommended support for GFPAA through June 2003 will enable GFPAA to develop educational materials, and simultaneously run courses in higher-level subjects until students numbers achieve the critical mass for sustainability.
- Financial sustainability is predicated on academic sustainability. This requires the development of educational materials for each course. These materials will comprise of translated 2001 ACCA textbooks, from English into Georgian, the creation of teaching guides in Georgian and the creation of a bank of standard test-questions in each subject.

On June 22, 2001, a report prepared by Will Cain, COP GESP added some additional pertinent comments to the above.

- It should be noted that local trainers at the lower levels of ACCA are themselves students at the higher levels. This has been a major factor in limiting the recruitment of local tutors.
- A total of 12 trainers are required to operate the ACCA program.
- Projection/Targets for July 2001 through July 2002, by Paper

Paper (old syllabus)	Paper (new syllabus)	Target total to be trained
Paper 9	Paper 3.3	39
<i>No direct equivalent</i>	Paper 3.4	
Paper 12	Paper 3.5	19
Paper 13	Paper 3.6	19
Paper 14	Paper 3.7	19

## II. Current Status of Program (May 2002)

The emergence of the GFPAA (GEAR Project) that included consideration for ‘training-the-trainers’, followed by the continued evaluation and analysis by Liam Coughlan and Will Cain, together create a critical perspective to the situation today. Any commentary or analysis today taken in isolation will fail to identify the clear short fall relative to these prior expectations. The proposed USAID phase-out was based upon the attainment of certain critical goals that would result in a perspective of GFPAA achieving a critical mass and/or financial/academic sustainability,

independent of continued support. This report addresses the issue of training-the-trainers, though this and financial sustainability are inexorably linked.

	Trainers Training Course	June Exams	June 2002 Examination
1	Toma Grigoreva	Yes	<u>3.3</u>
2	Elene Gabedava	Yes	<u>3.3/3.4</u>
3	Eka Kiziria	Yes	<u>2.5/3.1/3.3</u>
4	Ela Tevzadze	Yes	2.4/2.5
5	Amiran Tevzadze		Completed
6	Lasha Inashvili	Yes	<u>3.3/3.4</u>
7	Japaridze Ramaz	Yes	2.4/2.5
8	Mgebryan Vahan	Yes	2.1/2.2
9	Alagardova Afina	Yes	<u>3.5/3.6/3.7</u>
10	Todua Salome	Yes	2.5
11	Milichnikova Catherine	Yes	2.1/2.2
12	Nikolaishvili George	Yes	2.1/2.4

The above list, provided by GFPAA, was used as an attendance roster for the current train-the-trainer sessions (English ACCA). As far as Georgian Program teachers, three additional names were on the list. Several immediate and concerning issues arise here:

- The available pool is significantly below prior expectations and well below the critical mass of 12 trainers considered necessary.
- Besides one trainer, all the others are themselves students, mostly at the lower level papers.
- Only five of the above trainers/students are taking the final papers at the June 2002 sitting.
- Of the original 15 names provided as trainers, only 8 attended the first session.
- Of the 8 that attended the first session, at least two displayed ‘personalities’ not indicative of a natural instructor. See Appendix for suggested ‘instructor personality traits’.

During the train-the-trainer sessions, several worrying observations were noted:

- Because so many trainers/students are still at the lower level papers they considerably lack real world experience and knowledge. They do not seem to have the ability to put the material in its true business perspective and are

therefore very 'boxed' in their thinking. Most had never heard, for example, of the idea of 'legislative intent' a basic concept underlying tax law. Without this perspective, the study of tax law becomes mostly dry and mechanical and very difficult to teach. As an instructor, ideally, you need to be a couple of 'dimensions' above your students. It is appreciated, of course, that some if not most of these issues exist today because this is Georgia and only recently emerging from a post-Soviet economy. Nevertheless, they are valid observations today that hopefully will disappear over time. The English ACCA program however is not adjusted for such 'learning/experience curves'.

- Despite being trainers, most were not aware of the information available on the ACCA web site nor did they all seem to appreciate the importance of reading Student Accountant technical articles. No one had accessed or knew about the Teacher-conference web links (available for each Papers) that provides an invaluable insight into the examiners intent behind the new syllabus.
- The 'technical' expertise of the trainers was also mostly limited to the ACCA texts provided by Foulks Lynch, FTC, BPP, ATC and others. This is potentially a very serious obstacle to any trainer becoming totally effective here in Georgia because the texts generally only cover just what you need to pass the examination. This means that trainers and students will always be at the same level.
  - Liam Coughlan, prepared a document (February 2001) entitled 'Your Guide to organizing ACCA Revision Courses'. Under the 'planning-gather information' section, he suggests, very correctly, that any tutor should access the ACCA website and, at a minimum, become familiar with:
    - syllabus
    - teaching guides
    - Students Newsletter articles for the past 2-3 years
    - ACCA textbooks\* (Per ACCA Reading list)
    - ACCA past exam papers

\*The lack of proper textbooks (not ACCA texts such as FTC) here in Georgia, is a very serious concern. As an example, an invaluable textbook (ACCA reading list) for Paper 3.3, 'An Insight into Management Accounting by John Sizer' is no where to be found here. At a minimum, GFPAA should have had a copy and students should have been able to borrow such a book, similar to a library. For many areas of the syllabus, regardless of which 'text' is used, there will always be aspects that only a full textbook, such as used in Colleges and Universities will suffice to provide an answer and detailed explanation.

Any instructor attempting to teach without such references is automatically placed in a very difficult and untenable position and is severely limited in their ability to become a professional and thoroughly prepared instructor here in Georgia.

The list of GFPAA published textbooks (in Georgian) is a very small contribution and if these are not ACCA recommended then they possibly lack the required in-depth coverage, at least as far as the English-language program may be concerned. It is not a perceived lack of quality per se; but it may be a syllabus 'coverage' issue. Regardless, however, even if these Georgian textbooks were adequate, they are by no means sufficient. Further, any instructor considering teaching the final level papers should have completed the English-language program.

The argument regarding Georgian translation of textbooks (SIBLEY Appendix, 6.3 Publications of the GFPAA) I think misses the point. True, a full translation into Georgian would be very helpful perhaps but at the same time probably very unnecessary. The purpose behind such textbooks is only to be used as references as and when questions, problems, inadequate coverage elsewhere etc arises. In all other cases, the syllabus texts from Foulks Lynch etc are all that is required. But, when those textbooks are needed, they are totally invaluable and almost priceless just at that moment. There is probably a high degree of certainty that if the trainer doesn't understand English adequately then somebody within the GFPAA ought to be able to provide the assistance/translation needed. Under this premise, the GFPAA should have a complete library of all ACCA recommended texts (and preferably beyond), at a minimum, and copyrights as such would no longer be an issue.

### **Train the trainer sessions:**

Attached, as an Appendix, is an 'Introduction' to the Train-the-trainer material that includes a suggested profile of an ideal 'instructor' as well as a recommendation, with full details, to have students start developing study plans with the support of an instructor. With respect to Papers 3.4 through 3.7, all previously developed 'supplementary' self-study material has been consolidated into a single document. The existing format for Paper 3.3, on a chapter-by-chapter basis, is considered already in good form for any instructor to follow. During the training sessions, several interesting topics were raised for discussion:

- How do you get student's to participate in a discussion, especially when culturally they are not used to that?
- What or how do you handle situations when you don't know the answer to a student's question?
- How could pre-exam revision classes be conducted in Georgia (like the UK 4-week with mock exam practices etc)?
- What should we do about students who have failed a paper(s), how can they be helped?
- What do you do in a class when, say, 5 are prepared and 5 are not?

- What do you do when some students understand the subject matter and others do not, what approach should you use?
- Is business experience needed behind teaching some papers?

### **Comments with respect to GEAR Project conclusions:**

- “The success rate of Georgians participating in the English language ACCA training is in line with those of other ACCA participants globally and now these Georgians act as a pool of IAS instructors.”

Even though arithmetically, it could be argued that the Georgian pass rates are similar to global rates, it could also be counter-argued that the pool of candidates to date and the number of exam sittings (at that juncture) was insufficient to statistically validate this statement. Additionally, the early entrants to the program were probably of a much higher caliber than will be reflective of new students entering the program. A challenge could thus be made to the conclusion that these pass rates will create the requisite, ‘pool of IAS instructors’ going forward. This concern is especially relevant if you consider that it was based only on the earlier (and much easier) papers and at the later (Part 2 level) papers only a small number of candidates had attempted the exams. When this report (GEAR) was produced, no candidates at all had reached the very final, Part 3 level. Furthermore, even within the U.K. the pass rate for Part 3 declines considerably, even under the most ideal studying conditions. As far as the Georgian ‘pool’ of instructors, they must eventually have completed through to Part 3 before they will ever become ‘serious’ ACCA instructors or U.S. equivalent adjunct faculty. Also, by the way, ‘IAS’ per se is only a small fraction of the overall syllabus material.

### **III. Recommendations**

As a final point, I believe it is very critical for the small-body of existing instructors here in Georgia to try and form some kind of ‘informal’ association. Several major advantages would arise from such an association:

- It is more likely that existing instructors will remain ‘onboard’ if they feel part of something.
- Until a critical mass has been obtained, these early instructors will become critical in enabling the program to continue going forward, and within such an association they can work better together in support of the GFPAA.
- Such an association will probably do much to attract other ‘finalist’ students into the fold especially if a certain prestige follows that of being a member.

- Most important, new instructors will feel they have a support network and can tap into the existing instructors' skill sets to deal with teaching issues. Existing instructors could offer to co-teach the first one or two classes in support of a new instructor 'getting off the ground', so to speak.